

## Bread-and-Butter Agreement and High Politics Disagreement

### Some Reflections on the Contextual Impact on Agricultural Interests in EC Policy-Making\*

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In public policy literature a classical argument is that the scope and content of decisions shape both the structure of the policy-making process and the configuration of actors involved. Recent studies have strongly emphasized that the patterns of segmentation and specialization found in national policy-making are also found in EC policy-making. Against this background, the present article discusses the conditions and impact of agricultural interests in EC policy-making in light of the economic crisis of recent years and the increasing budgetary problems faced by the EC. The article illustrates, especially with reference to the Danish case, the special importance of the national interest organization-government relationship for the strategies pursued by national agricultural interest organizations in influencing EC/CAP policy-making. Furthermore, the article indicates how policy-making concerning the CAP has become more complicated as a consequence of the general economic crisis and recent sharp fall in farmers' incomes. National governments are the central actors in the Community policy-making process, and their impulse to promote exclusive national interests in the Community policy-making process has increased. In addition, agriculture has been integrated in the overall Community 'crisis' policy, and this development has weakened the segmentation in relation to the CAP. However, because of the general problems of the EC, the national agricultural organizations of the various member states have a growing interest in emphasizing joint activities and mutual agreement with regard to fundamental agricultural issues on Community level. This may affect the role of COPA leaving it primarily as a coordinator and mediator among the various national agricultural organizations, because pressures are more likely to succeed at the national level than at the EC level. This is where 'bread-and-butter' agreement really counts in the future. The alternative is that COPA will lose its credibility in EC policy-making.

- \* This article is a revised version of a paper presented at the ECPR workshop on 'Decision-Making Processes in European Integration', Aarhus, March 29 — April 3, 1982. I wish to thank Alan Butt Philip (Bath), Brigid Laffan (Limerick), Barbara Burkhardt-Reich and Wolfgang Schumann (Tübingen), and Øystein Gaasholt (Aarhus) for fruitful comments and helpful suggestions for revision of the paper.

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## Introduction

Interest organizations have played a prominent role in theories on European integration and the development of the European Community (EC) (Haas 1958, 1964; Lindberg & Scheingold 1971; Caporaso 1974). However, only few attempts have been made to systematically study the role and function of interest organizations in EC policy-making processes on an empirical basis. Some research has been carried out on operations of Euro-organizations in Community policy-making, but with few exceptions the activities of national interest organizations on the Community level remain, to a high degree, unexplored. One of the main questions that present themselves in this connection regards the relationship between the activities of national organizations at the European stage and the nature of their respective domestic circumstances and practices.

In order to shed some light on this question, it is the aim of this article to illustrate, with special reference to the Danish case, the importance of interest organization-government relations at the national level in understanding the activities of organized interests at the Community level, especially in relation to the Common Agricultural Policy (CAP). In this connection, a central point of interest is the degree to which the relationship between interests and government is characterized by agreement in policy positions. However, such agreement can be properly understood only when seen in the context of a broader set of interrelated conditions. Furthermore, in view of the fact that the domestic context is not independent of a broader international context — particularly that of the European Community — some consequences of the economic crisis of recent years will be discussed as well. Finally, some thoughts on the future of agricultural interests as participants in EC policy-making will be offered.

Our concern is, in short, with the contextual impact on the relationship between national agricultural interests and policy-making at the level of the European Community.

## Political Segmentation and EC Policy-Making

Recent years have witnessed a growing concern, both in political science and in the public debate, with the participation of interest organizations in governmental decision-making and with the impact of organized interests on the policy-making process. It is widely agreed that the importance of corporate structures has been on the increase in Western political systems in the course of the post-war period, although substantial differences and disagreement exist with respect to analytical frameworks, concepts, and theoretical understanding applied to the phenomenon (Heisler 1979).

This growth of interest in the political role of private organizations has

brought about renewed attention to the 'classical' argument in public policy literature that the scope and content of decisions shape both the structure of the policy-making process and the configuration of actors involved (Lowi 1964; Froman 1968. For the Danish case see Damgaard & Eliassen 1978; Buksti & Johansen 1979).

The scope and content of public policy is assumed to be an important independent variable structuring the policy-making process in specific political issue areas. Characteristic patterns of interaction, involving specific actors, have emerged in certain policy sectors, frequently constituting policy-making subsystems or segments which have gained a high degree of decisional autonomy within the national decision-making system (Hecló & Wildavsky 1974; King 1976; Hecló 1978; Egeberg et al. 1978; Damgaard & Eliassen 1978; Richardson & Jordan 1979; Jordan 1981). It is argued that modern welfare states to a large extent are fragmented along functional lines, and consequently the existence of such policy-making subsystems may have decisive impacts not only on the policy-making process within specific policy sectors, but also across different sectors of the political system.

In short, a number of studies focusing on public policy-making have demonstrated that it tends to be structured in ways that are related to types of policy issues. Specific sets of actors tend to form around relatively narrow issue areas. These actors are recruited across traditional political institutions and are tied together in a policy-making unit by virtue of their common interests, expertise, and responsibilities. Different issues impose different policy-making patterns by drawing on their own distinctive group of actors and by requiring correspondingly different degrees of consultation, technical expertise, and immediacy. Thus one finds a situation where lines of conflict in the political system tend to run across the formal institutional structure, giving rise to the concept of segmentation.

Recent analyses of EC policy-making have strongly emphasized that these patterns of segmentation found at the national levels are also found at the EC level (Wallace et al. 1977). This has been attributed to the structure of the Community itself, which imposes fragmentation of the policy-making process, reinforced by the fact that close links exist among the activities of national actors at the two levels. On the one hand, political positions and operations of national governments, their officials, and non-governmental actors within the Community framework are influenced by the dynamics of EC cooperation itself, indicating that domestic policy-making may be affected by practices at the Community level. On the other hand, operations of these actors at the Community level may be seen as extensions of their activities at the domestic level. Consequently, differences in political traditions and policy-making styles among the EC member states may be of central importance when we seek an understanding of the Community policy-making process (Bulmer 1983).

National governments are the central actors in the EC, tending to place Community policy-making in the service of 'national interests', which, however, because of the fragmentation of national policy-making and conflicting domestic pressures may not always be an obvious and unambiguous concept. Nevertheless, in many policy areas, the Community offers an additional forum for promotion of national goals. Community policy-making may be used by national governments to seek the solution of domestic political and economic problems, thus placing EC policy questions in a very prominent position in domestic politics (Wallace 1971, 1973; Wallace et al. 1977).

### National Interest Organizations and EC Policy-Making: The Role of the National Context

By focusing attention on the relationship between organized interests and bureaucracy at the national level, but with reference to the wider Community context, it becomes apparent that the stronger a corporate structure is at the national level, the weaker or less important it is at the Community level. Intimate relationships between private interests and governmental bureaucracies at the national levels almost invariably lead to a reserved attitude from private groups towards Community agencies. By the same token, the stronger the corporate structures are at the national level, the more reluctant the interest organizations involved will be to accord a major role to Euro-organizations (Averyt 1978).

These general observations find strong support in recent systematic studies. In the Danish case, the existence of corporate structures at the national level appears to help explain the caution which characterizes the activities of most Danish interest organizations at the EC level. Their activities at this level are, in the main, aimed at securing information which may enhance their potency within the structure of corporate decision-making at home (Buksti 1980a). However, such cautious policy appears to be dependent on economic and administrative capacities at the domestic front. Member states with relatively weak economies or low administrative capacities on the part of their governments may be in a poor position to secure efficient policy implementation. Disadvantages of this nature at home may force national interest organizations to step up their activities at the EC level, even while maintaining strong corporate structures at the national level, in order to compensate for the domestic economic and administrative shortcomings (Burkhardt-Reich & Schumann 1983).

When seen from the perspective of the national interest organizations, the EC contains numerous institutional elements that may be exploited to influence policy outcomes. The number of possible channels of influence

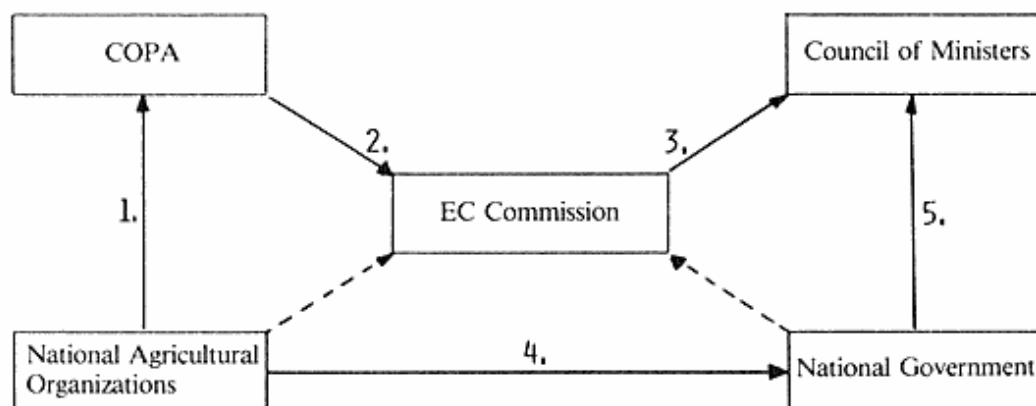


Figure 1.  
 Source: Adapted from William F. Averyt, Jr., *Agropolitics in the European Community* (New York: Praeger, 1977), p. 102.

has expanded with the imposition of the layer of EC institutions and Euro-organizations covering the previously existing national systems.

In a study of agropolitics in the EC, William Averyt, Jr., has outlined the normal strategies used by European-level and national farm organizations to influence Common Agricultural Policy (CAP) formulation and implementation (see Figure 1): Considering that the Council of Ministers is the final arbiter on major policy issues, national organizations have two main paths by which to pursue their objectives. One is to voice their demands through the agricultural Euro-organization COPA (The Committee of Professional Agricultural Organizations in the EC) to the Commission and then to the Council of Ministers (arrows 1, 2, 3). The other is to influence their national governments to adduce and defend their demands directly in the sessions of the Council (arrows 4 and 5). National farm organizations may also try to influence the Commission directly, for instance through a special permanent liaison-office in Brussels (channel indicated by broken arrow) (Buksti 1980a, 157). Under certain conditions, furthermore, organizations may resort to strategies that depart from the normal ones in order to obtain desired results (Averyt 1977, 100ff; Feld 1979, 348f).

In a further effort to shed light on the dynamics of interest organization politics at the Community level, Averyt has analyzed the circumstances surrounding choice of strategy. The analysis represents an important contribution toward an understanding of the relationship between domestic and Community level interest organization politics. However, the analysis does not fully take into account the broader set of contingent factors resting in domestic political realities, suggested by the observations and theoretical

deliberations presented above. Indeed, Averyt's own work calls attention not only to the primacy of the national level, but also to the relationship between national interest organizations and their respective governments as central in determining the *modus operandi* of the organizations seeking to influence Community policy-making. But as in all power relations, the character of the interest organization-government relationship depends on the interests and resources of *both* parties. Consequently, a more total national perspective, which considers not only organizational interests, but also their role and position in domestic politics, the interests and policy positions of the government, and the size and capacity of the national economy, would contribute to a more complete understanding of how national interest organizations function in EC policy-making.

### The Case of Denmark: Danish Agriculture and Danish Policy Positions to the CAP

Agriculture has always played a prominent role in the Danish economy. Immediately before World War II, over 25 per cent of the labour force was occupied in agriculture, and it contributed about 20 per cent of the gross factor income of the country. Furthermore, over 50 per cent of the income in the current accounts of the balance of payments derived from agriculture. After the war, however, the relative importance of agriculture in the Danish economy decreased. Since the beginning of the 1980s, the sector has occupied only approximately 6 per cent of the labour force and contributed about 5 per cent of the gross factor income. Nonetheless, inasmuch as over two-thirds of agricultural production is exported and the value of agricultural exports represents approximately 30 per cent of all Danish exports, the sector remains an important one. Since Denmark joined the EC, agriculture has in fact assumed an increasingly prominent position in Danish economy, particularly because of the importance of its export value to the Danish balance of payments, chronically in deficit (see Table 1).

Because of the historically strong position of agriculture in Denmark and the importance of agricultural exports to the total economy, Danish agricultural organizations have traditionally had a strong and influential position in the Danish political system, in the political decision-making process in general, and in agricultural matters in particular.

From the beginning of the 1930s, agricultural organizations have been highly integrated into the political and administrative processes. During the critical years for Danish farming in the 1960s and the beginning of the 1970s, agricultural organizations became dominant both in formulating and implementing Danish agricultural policy. They had a direct participatory role in the establishment and administration of special prices in the domestic

Table 1. Danish Agriculture, EC, and Danish Balance of Payments 1972-1981

	1972	1973	1975	1977	1979	1981
Danish balance of payments (mio. D.kr.)	-523	-2.986	-3.327	-11.089	-15.524	-13.300
Balance of payments — impact of Danish agriculture (total agricultural exports — total agricultural imports) (mio. D.kr.)	6.859	9.696	11.727	14.137	18.455	23.868
Balance of payments — impact of the EC budget (payments from the budget — payments to the budget) (mio. D.kr.)	—	2.020	1.428	3.450	3.685	1.730
Agriculture's share of total Danish exports, per cent	29	33	30	30	30	28
EC share of Danish agricultural exports, per cent	60	65	68	64	60	58

Source: Danmarks Statistik.

market, and on the distribution of public subsidies. The organizations also administered large economic funds, allocated by the state, without much public control. This increased the economic resources of the organizations substantially.

Denmark's entry into the EC changed this picture. In particular, the linkage structure between the Ministry of Agriculture and the agricultural organizations was affected. The ministry now became the dominant actor, and the autonomous position of the organizations could not be maintained. Yet, in establishing the administrative structures and procedures necessitated by membership in the EC, the ministry and the organizations acted together to defend the interests of the agricultural sector. The agricultural organizations remain integrated in the policy-making process at the national level, although their formal powers have been eroded. Nonetheless, precisely because of the impact of agriculture in general and the CAP in particular on Danish economy, the importance of agriculture as a political and economic sector within the Danish society has been on the rise in recent years.

As is shown in Table 1, Danish agriculture has during the last decade had an increasing positive impact on the Danish balance of payments. The market policies and price mechanisms of the CAP constitute a major cause for the growing revenue of Danish agriculture, although the direct impact of the net transfers from the EC budget on the Danish balance of payments only accounts for a minor part. Furthermore, it should be noticed that since the mid-1970s, an increasing share of Danish agricultural exports has gone to



Table 2. Net Transfers through the EC Budget 1978 (mio. £)

	Net budget receipt	Net trade receipt	Total net cash receipt
Federal Republic of Germany	-570	-101	-671
France	+114	+620	+734
Italy	-114	-532	-646
The Netherlands	+190	+441	+631
Belgium-Luxembourg	+312	-156	+156
United Kingdom	-806	-317	-1,123
Ireland	+254	+221	+475
Denmark	+329	+289	+618

Source: Cambridge Economic Policy Review, April 1979. See H. Wallace (1980:29).

countries outside the EC. In fact, compared to the other net exporting EC countries, Denmark is very much dependent on this export to third countries and, consequently, Denmark is very sensitive to changes in the EC system of export restitutions. Finally, it is beyond any doubt that Denmark as a net exporter of agricultural products benefits economically from the CAP. Since the CAP accounts for by far the largest part of the EC budget, Denmark, compared to most of the other EC countries, receives a significant cash gain from the EC budget (see Table 2). This should not be surprising, although the reasons for the unevenly distributed economic costs and benefits from the EC budget may be less obvious (Ørstrøm Møller 1981, 1982).

On this background, the areas of common interests between the Danish government and agricultural organizations have expanded, especially in relation to basic EC policy issues. This agreement in the principal positions of the two parties concerning EC cooperation in general and the CAP in particular can be summarized on the basis of the discussion on the Commission's report on the Mandate of 30 May, 1980 (COM(81)300), the Commission's complementing memorandum on the Guidelines for European Agriculture (COM(81)608), and the Commission's proposal on the fixing of prices for the 1982/83 marketing year (COM(82)10). (See Appendix I, which also includes the principal positions of the Commission and COPA (COPA: Pr(81)12. For a description of the background for and contents of the report on the mandate, see J. Pearce (1981, 79ff)).

According to these documents, the Danish government and Danish agricultural organizations are in full agreement that changes in the basic mechanisms of the CAP cannot be accepted. They also agree in principle that the form of budgetary compensation to the UK proposed by the Commission must be rejected. Furthermore, the Danish government is against a limit on Community spending on agriculture and it is, consequently, prepared to raise the VAT-limit if necessary, but on the condition that the increased EC

revenue is used in a rational way. Motivated by basic national interests, of both a specifically agricultural and a general economic nature, the Danes favour a 'European' solution to the financing problems of the CAP. Other solutions would appear to decrease the Danish benefits. Yet the Danish government remains suspicious of further integration, as was clearly demonstrated when Denmark did not use the majority vote in the 1982 Price Package despite the fact that it was in the country's economic interest to get a farm price deal. Finally, both government and organizations have stated that special arrangements in favour of small producers must be avoided, and therefore they oppose a progressive co-responsibility levy. This may be attributed to the fact that since the last decade of the nineteenth century it has been a strong tradition in Denmark to keep agricultural policy separate from regional and social policies. This tradition may help explain the Danish approach to certain elements of the CAP where policies are mixed.

The high level of agreement between the two principal national actors cannot, however, necessarily be taken as an expression of the influence of agricultural interest *organizations* on the policy positions taken by the Danish government. The shared views regarding basic CAP issues clearly testify to the vital economic importance of agriculture as such in the Danish economy. The government itself has an obvious economic interest in securing benefits for Danish agriculture from the CAP, but the government must also consider the CAP in the perspective of total EC cooperation, especially in relation to budgetary problems. This is a perspective the organizations do not have to take into account. Agreement is therefore not total. When it comes to more specific CAP issues and the strategies pursued to promote Danish agricultural interests in EC policy-making in general and in the Council of Ministers in particular, the two principal national actors may have divergent views.

The main features of these patterns are outlined in Figure 2.

The Danish agricultural organizations are, for reasons of traditions as well as practical concerns, directly integrated in Community policy-making at the national level (Buksti 1980a). This provides the organizations with favourable opportunities for influencing official Danish positions on EC policy issues in general and CAP issues in particular. However, because of the dominant position of agriculture in Danish EC policy and the Danish benefits from the CAP, it is very difficult to get an exact impression of the degree to which this potential influence is translated into real influence.

The organizations will, of course, try to influence the government's political position if there is a divergence between the two parties, and in certain matters the organizations actually have succeeded in doing so. But usually, because of the common interests regarding basic CAP issues, the most important function of the intimate interaction between government and organizations at the national level is exchange of views and information, and for the

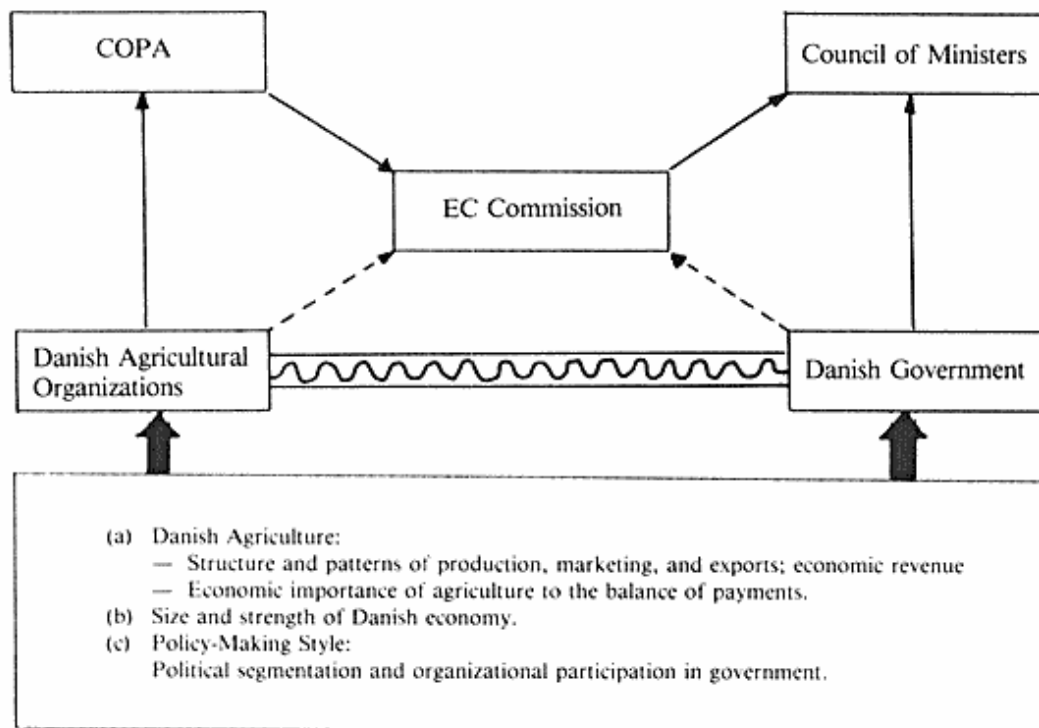


Figure 2. Danish Agricultural Interests in the EC Policy-Making Process.

organizations to keep the government to its initial positions of principle. Concerning the approach to agricultural prices, the situation may be even more complex because of the impact of consumer interests and anti-inflation measures on the government in times of economic crisis. Even so, however, in the Danish case agricultural views and interests usually dominate.

The Danish case illustrates the importance of the nature of the interest organization-government national-level relationship for the representation of national agricultural interests in EC policy-making. This relationship varies a lot from country to country and these variations have significant consequences regarding the strategies chosen by the various national organizations in seeking to influence EC policy-making at the EC level (Averyt 1978; Buksti 1980a; Burkhardt-Reich & Schumann 1983; Bulmer 1983).

Policy-making does not, however, take place in a vacuum, but in a dynamic political and economic context. This indicates that there is an interplay between domestic and Community realities which produces constant change in the manner in which organized interests may influence Community policy-making.

## National Policy Positions and External Pressures on EC/CAP Policy-Making: Emphasis on Unity or Divergence?

The emerging theme so far is that within a segmented decision-making structure at the national level, the relative autonomy and sharpness of profile achieved by a policy sector is of fundamental importance for that sector's position and impact on Community policies. However, the autonomy of a policy sector is likely to be weakened by disturbances in the environment.

A major disturbance in recent years has been the economic crisis. In this respect it has been argued that the boundaries between policy sectors become blurred through the inclusion of external interests accompanying the integration of more and more policy issues in an economic crisis policy (Buksti 1980b). Consequently, in recent years it has become increasingly difficult for national interest organizations to maintain an autonomous position in the policy-making process vis-à-vis their own governments.

The dramatic economic changes that have taken place in recent years may, therefore, affect both the character and the relative importance of the relationship between interest organizations and governments in the various EC member states. Furthermore, the corresponding increase in external pressures on Community policy-making may have decisive consequences for the selection of strategies as well as for the concrete activities of both national interest organizations and governments at the EC level.

More specifically, the increase in EC budgetary problems — both concerning the general development in EC expenditures and the net contribution of member states to the budget, especially accentuated by the British case (see Wallace 1980) — and the sharp fall in agricultural incomes in real terms over the past few years in the EC as a whole, affecting all member states, have caused the various national actors as well as Community actors to take more marked policy positions in relationship to the CAP. This development seems also to have increased the importance of the traditional and very complex patterns of unity and divergence between, on the one hand, exclusively agricultural interests and overall Community-policy interests, and, on the other hand, national interests and Community interests (Taylor 1982).

Because of the general fall in agricultural incomes, agricultural organizations in all member states have increased their efforts to promote exclusively agricultural interests in Community policy-making. Furthermore, because of the general problems of the EC, they have a growing interest in emphasizing transnational cooperation and agreement at the EC level. This may be achieved through COPA.

On a European basis, the agricultural organizations, accordingly, reject the idea that budgetary considerations should be the essential element in determining CAP policies — in particular price support and market manage-

ment policies. The organizations insist on review of farm prices on the basis of the objective method in order to ensure that incomes of efficient farmers develop at the same pace as average earnings in other sectors (COPA:Pr(82), CD(82)7). The organizations also emphasize unity at the EC level, thus trying to strengthen the role of COPA as a coordinator in relation to its national member organizations.

However, the same agricultural interests that form the basis of the various national agricultural organizations' joint actions also form at least part of the basis of the various national governments' policy positions regarding the issues involved. But while the organizations increasingly feel a need to emphasize unity at the Community level, especially through COPA, the governments seem to emphasize divergence.

Primarily because of the disastrous consequences of the economic recession for the national economies of the member states, the impulse of the national governments to promote exclusively national interests in the Community policy-making process appears to have increased (Taylor 1982). Problems related to the relative distribution of exclusive economic costs and benefits among the various member states have gained a more prominent position in the policy-making process. At the same time, the total benefits from Community policies are increasingly unable to cover all national demands or costs, and, consequently, national interests seem to have become more unambiguous and visible.

Thus, in the Community policy-making process national governments will for political and economic reasons more frequently attach decisive importance to their *specific* agricultural interests and conditions, including the position of agriculture in the respective national economies. Also, the national governments have to look at the CAP from an overall Community perspective. This indicates that they will have to include considerations regarding, for instance, budgetary problems. To some countries, such as the UK and the Federal Republic of Germany, the budgetary considerations are even dominant, primarily because they are the largest net payers to the EC. The increased complexity and more marked position of national governments in Community policy-making both in agricultural matters and with regard to budgetary problems, have, not surprisingly, made it more difficult to reach constructive agreements in the Council of Ministers. Reforms of the CAP are a case in point.

Thus, the general economic crisis and the recent sharp fall in farmers' incomes seem to have widened the 'gap' in the Community policy-making process. National interests — broadly defined — dominate and at the same time agricultural organizations try to unite on fundamental agricultural interests at the EC level. However, it should still be noticed that the representation of national agricultural interests in the Community policy-making

process, both by national agricultural organizations and national governments, are rooted in the same national political and economic situation. Consequently, this may very well limit the possible degree of both unity and divergence.

### Future Conditions of the Impact of Agricultural Interests on EC Policy-Making: Is Bread-and-Butter Agreement Worth Anything?

As mentioned above, studies in national policy-making processes have shown that policy-making in several areas is highly fragmented and segmented. Certain policy sectors have emerged, and the strength of these in relationship to each other relies heavily on the ability of the different segments to define or demarcate their particular sector. The more well-defined the sector, the more autonomous the sectoral policy-making will tend to be. The position of a policy-sector within the overall policy-making system also depends on the ability of the different groups of actors in the particular sector to defend and promote the interests of the sector, or at least to maintain the common norms and values of the sector. However, as it has been argued, the autonomous position of the policy sector concerned may be weakened by, for instance, economic crises. The more policy issues are integrated in an economic crisis policy, the more external interests are included. This is also the case concerning Community policy-making.

Community policy-making has proven to be highly fragmented and specialized. For obvious reasons agriculture has always been the dominant and most well-defined policy sector in the Community. For a long period of time the CAP was almost the only common policy and it quickly developed a very autonomous and special political and economic position in relation to the overall Community policy-making process. But as new common programmes and funds were introduced, especially in response to the general economic recession dating back to the mid-1970s, and as a consequence of the increased budgetary problems that emerged at the end of the 1970s, the very autonomous position of the agricultural policy sector within the Community policy-making system was threatened.

This development has been quite clearly demonstrated by the Commission's report on the Mandate of 30 May 1980 and the discussion related to it, linking reforms of the CAP closely to the problems of financing EC activities (Pearce 1981). In continuation of this, the European Council at its meeting in Stuttgart in June, 1983 requested the Commission to examine all existing policies and, in particular, the CAP with a view to adapting it to the situation facing the Community. The motive was to make the CAP fulfil its aims in a more coherent manner and ensuring control of agricultural expenditure. The CAP could

not remain isolated from the rest of Community policy-making once its financial demands became too great for individual member states and/or the EC budget as a whole. In its proposals, which were submitted to the EC Council in July, 1983, the Commission reiterated its 'Guidelines for European agriculture' (COM(81)608), proposing not only that they be continued, but reinforced (COM(83)500). Thus, agriculture now became a very important part of a complex overall Community 'crisis' policy, and this, together with the 'issue linkage' strategies of certain member states, weakened the segmentation in relation to the CAP.

Because of the weakening of the autonomy of the agricultural segment in the Community policy-making system, influence of exclusively agricultural interests has become more complicated. Compared to the situation a decade ago, the agricultural interest organizations find themselves in a less secure position in relation to Community policy-making. However, agriculture and the CAP are still vital elements in the development of the Community as a whole. Therefore, agricultural interest organizations continue to have ample opportunities to influence Community policy-making, which makes it reasonable to anticipate an increase in the importance of transnational operations through COPA. It should be noted, however, that COPA finds itself in a rather problematic position in relation to both the EC authorities and to its national member organizations.

In fact, the national agricultural interest organizations try to emphasize unity through COPA. This is important because COPA needs to be able to count on a more unified set of agricultural interests in order to resist the harder line in the Council of Ministers on the budget. COPA, however, may have increasing difficulties in making compromises among its members on controversial issues, especially if specific national conditions are involved. Consequently COPA especially emphasizes unity by focusing on issues such as price increase on which there is general consensus. COPA may also have difficulties in finding agreement across the whole spectrum of agricultural products because product groups are treated separately by the CAP. This means that the Council has the opportunity to employ the 'divide and rule' principle in relation to product sectors as well as units including different categories of producers, especially Northern and Mediterranean producers. Finally, COPA's direct influence is mainly exercised upon the Commission and, to a lesser extent, upon the European Parliament. However, the way the Council treated the Commission's 1982 price proposals demonstrates quite clearly that influencing the Commission may not count very much. The Council has the decisive decision-making power. In addition, the Commission seems to be more aware of the budgetary impact of the CAP than even the national governments. Consequently, the pressures of national agricultural interest organizations upon national governments remain the critical factor.

The primacy of the national level in the Community policy-making system has been strongly underlined by the general economic crisis of recent years and the growing budgetary problems of the Community. National interests have been more exposed and basic elements in the Community such as the CAP have been put under greater pressure.

As a consequence of the sharper profile of national interests in the heels of the economic crisis, Community policy-making is characterized by an increase in high politics disagreement. In spite of this, the CAP remains the most important basic element in the Community as such, and the fact that every member state seems to be better off with it than without it leaves agricultural interests in a rather favourable position compared to other interests in the Community policy-making process.

As pressures are more likely to succeed at the national level than at the EC level, the critical point is to what degree 'bread-and-butter' agreement can be achieved among the member states' agricultural interest organizations. This may affect the role of COPA in the future, leaving it increasingly as a coordinator and mediator among its member organizations. 'Bread-and-butter' agreement on a Community basis is worth a lot if joint actions by the various national agricultural interest organizations are going to succeed on the national level. This is, it should be clear, where 'bread-and-butter', agreement really counts. If COPA is not able to agree on joint policy positions, or at least on a common approach, in relationship to concrete proposals for reviewing the CAP and its budgetary consequences, the alternative is that COPA will lose both its influence and its credibility in EC policy-making.

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Appendix 1. Danish Positions Concerning EC-Cooperation and the CAP Compared to the Positions of the narrowing of the gap between

Commission	COPA	Danish Agricultural Organization	Danish Government
<p>The <i>VAT-limit</i> (1 per cent of the common basis of assessment of VAT in EC) is in fact unacceptable, but for political reasons the limit cannot be raised in the near future.</p>	<p>The VAT-limit must be raised because the CAP can function perfectly only if common EC-policies is established also in other policy areas.</p>	<p>The VAT-limit must be raised in order to improve EC-cooperation and strengthen the CAP.</p>	<p>Is ready to raise the VAT-limit if necessary and if the increased EC revenue is used in a rational way.</p>
<p>A solution to the problem of <i>budgetary compensation</i> to the UK must be found, if necessary outside the VAT-limit.</p>	<p>Budgetary compensation and the CAP must not be mixed.</p>	<p>Budgetary compensation is a pure political question and against original principles. An 'unequal' distribution of the payments to the UK is a further argument for placing the compensation outside the VAT-limit.</p>	<p>The budgetary compensation problem has to be solved through politically fixed amounts. Denmark shall not contribute disproportionately. The compensation has to be payed over the EC budget.</p>
<p><i>Other Community policies</i> must be developed and improved, but more through coordination than actual new policies.</p>	<p>The improvement of other Community policies is necessary to the functioning of the CAP; especially economic and monetary cooperation, regional policy, and unemployment policy.</p>	<p>Other Community policies have to be improved.</p>	<p>For improvement of other Community policies, especially regarding unemployment and energy.</p>
<p><i>Foreign Policy</i> is placed outside the EC-treaty, but increased cooperation in this field strengthens the EC.</p>	<p>Not within the aims of COPA.</p>	<p>An increased solidarity in Europe will benefit EC cooperation.</p>	<p>Foreign policy must be handled outside the EC-treaty. The present concrete problems have to be solved first.</p>
<p><i>Community spending on agriculture</i> must grow less than the growth of EC's own resources.</p>	<p>An upper limit of Community spending on agriculture is destructive to, and therefore against the principles, of the CAP.</p>	<p>An upper limit of Community spending on agriculture is unacceptable.</p>	<p>Against a limit on Community spending on agriculture (but is rather isolated in this matter in the Council).</p>

The primacy of the national level in the Community policy-making system has been strongly underlined by the general economic crisis of recent years and the growing budgetary problems of the Community. National interests have been more exposed and basic elements in the Community such as the CAP have been put under greater pressure.

As a consequence of the sharper profile of national interests in the heels of the economic crisis, Community policy-making is characterized by an increase in high politics disagreement. In spite of this, the CAP remains the most important basic element in the Community as such, and the fact that every member state seems to be better off with it than without it leaves agricultural interests in a rather favourable position compared to other interests in the Community policy-making process.

As pressures are more likely to succeed at the national level than at the EC level, the critical point is to what degree 'bread-and-butter' agreement can be achieved among the member states' agricultural interest organizations. This may affect the role of COPA in the future, leaving it increasingly as a coordinator and mediator among its member organizations. 'Bread-and-butter' agreement on a Community basis is worth a lot if joint actions by the various national agricultural interest organizations are going to succeed on the national level. This is, it should be clear, where 'bread-and-butter', agreement really counts. If COPA is not able to agree on joint policy positions, or at least on a common approach, in relationship to concrete proposals for reviewing the CAP and its budgetary consequences, the alternative is that COPA will lose both its influence and its credibility in EC policy-making.

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